

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 7200

BILL NUMBER: SB 376

DATE PREPARED: Feb 26, 2002

BILL AMENDED: Feb 25, 2002

SUBJECT: Release of Social Security Numbers.

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FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill prohibits an agency of the state or a city, town, county, or township from releasing the Social Security number of an individual to the public unless required by state law, federal law, or court order. The bill provides that a state agency may disclose a Social Security number to a commercial entity that: (1) is qualified by the Attorney General; (2) obtains Social Security numbers for certain specified purposes including verifying personal information in commercial transactions, for law enforcement activities and insurance purposes; and (3) submits a written request to the agency.

The bill makes it a Class D felony to knowingly make a false representation to obtain a Social Security number or for an agency employee to knowingly disclose a Social Security number.

Effective Date: July 1, 2002.

Explanation of State Expenditures: (Revised) This bill prohibits state agencies from releasing Social Security numbers unless a request is made from another government agency or a commercial entity approved by the Attorney General's office. This bill could have a minimal administrative impact on state agencies in so far as they would be required to prevent the disclosure of Social Security numbers in documents that might otherwise be public and to accommodate the requests of commercial entities qualified under this proposal to obtain Social Security numbers.

Attorney General's Office: This proposal would require the Attorney General's office to develop an administrative mechanism for processing the applications of commercial entities that wish to become qualified to obtain public records containing Social Security numbers. This provision is expected to increase the administrative burden of the Attorney General's office. However, the extent of this burden is currently indeterminable as the number of firms that would seek to become qualified is unknown. Aside from the customer information contained in the records of a municipal utility, Social Security numbers are not currently required to be stricken from information available through the state's public records law.

Penalty Provisions: The bill makes it Class D felony for a person to illegally obtain a Social Security number or for an employee to knowingly disclose a number. A Class D felony is punishable by a prison term ranging from six months to three years or reduction to Class A misdemeanor depending upon mitigating and aggravating circumstances. The average expenditure to house an adult offender was \$22,131 in FY 2000. Individual facility expenditures ranged from \$16,442 to \$40,312. (This does not include the cost of new construction.) If offenders can be housed in existing facilities with no additional staff, the average cost for medical care, food, and clothing is approximately \$1,825 annually, or \$5 daily, per prisoner. The average length of stay in Department of Correction (DOC) facilities for all Class D felony offenders is approximately ten months.

Explanation of State Revenues: (Revised) *Court Fee Revenue:* If additional court cases occur and fines are collected, revenue to both the Common School Fund and the state General Fund would increase. The maximum fine for a Class D felony is \$10,000. Criminal fines are deposited in the Common School Fund. If the case is filed in a circuit, superior, or county court, 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund.

Explanation of Local Expenditures: (Revised) This bill could have a minimal administrative impact on cities, towns, and counties in so far as they would be required to prevent the disclosure of Social Security numbers in documents that might otherwise be public.

Penalty Provision: If more defendants are detained in county jails prior to their court hearings, local expenditures for jail operations may increase. The average cost per day is approximately \$44.

Explanation of Local Revenues: (Revised) *Court Fee Revenue:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

State Agencies Affected: Executive agencies; State Educational Institutions; other political bodies; Lobby Registration Commission; Legislative Services Agency; Secretary of State; Department of Correction.

Local Agencies Affected: Cities, towns, and counties; Trial courts, local law enforcement agencies.

Information Sources: Indiana Sheriffs Association; Department of Correction.